

**Efficiency Maine Trust
Board Meeting Minutes
January 25, 2017**

Trust Board Members:

- Dan Brennan
- David Barber
- Brent Boyles (via phone)
- Herbert Crosby
- Kenneth Fletcher
- Al Hodsdon
- Angela Monroe
- Don Lewis
- David Stapp

Efficiency Maine Trust (EMT) Staff:

- Ian Burnes
- Emily Cushman
- Peter Eglinton
- Dana Fischer
- Greg Leclair
- Laura Martel
- Jack Riordon
- Michael Stoddard

Other Attendees:

- Richard Doughty, Energy Resource Solutions (ERS)
- Daniel Drost, MaineHousing
- Adam Gifford, CLEAResult
- James LaBrecque

1.0 Welcome and Introductions

Mr. Barber called the meeting to order at 9:31 a.m.

2.0 Approve Agenda and Minutes

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Lewis), the Board voted unanimously to approve the agenda and the December Board Meeting Minutes.

3.0 Public Comment on Agenda Items

Mr. LaBrecque again suggested an informal brainstorming session between Maine's energy experts and the Board. He also questioned the cost-benefit analysis methodology for combined heat and power (CHP) projects. Mr. Stoddard noted that this very topic was on the agenda for this meeting, and encouraged Mr. LaBrecque to stay to hear the discussion. Mr. LaBrecque replied that he had another commitment and needed to leave immediately, and would not be able to stay to hear the report and participate in the discussion.

4.0 Executive Director's Report

Mr. Stoddard summarized and distributed copies of the Executive Director's Report. Following are items highlighted during his presentation:

- Mr. Stoddard encouraged the Board to attend EMT's Annual Symposium on January 27. The event will focus on grid modernization and distributed energy resources, as well as recognize the work of the contractor community in FY2016.
- Activity at the Legislature is ramping up. Staff presented at one of the Energy, Utilities and Technology (EUT) Committee orientation sessions and testified on a budget issue at an Appropriations Committee hearing. Mr. Stoddard predicted that the session would involve continuing discussion around biomass. The Legislature's commission to study the biomass industry released its report in December; the report included several recommendations involving EMT. The Governor's Energy Office (GEO) will release another biomass study in the spring.
- The Commercial and Industrial (C&I) Prescriptive Program's natural gas pipeline is improving. This growth is partly due to the proactive efforts of Staff promoting the Program by working with natural gas utility staff and connecting with contractors and customers in natural gas territories.
- Regions 5 and 6 within the Small Business Initiative (SBI) are seeing an increase in project applications. Staff are simultaneously laying the groundwork for Region 7. Mr. Stoddard said he spoke with several legislators from these areas, and they are eager to help promote SBI among their constituents.
- Activity within EMT's Low-Income Initiatives is growing as outreach efforts with community groups are starting to bear fruit. Partners in Bangor, Bath, and York are helping EMT recruit customers and promote collective purchase arrangements through the Low-Income Home Energy Savings Program (LIHESP).

5.0 Discuss and APPROVE Board Officers for 2017

Mr. Barber nominated the following Board Members to Officer positions: Ken Fletcher for Chair, David Stapp for Vice-Chair, Herb Crosby for Secretary, and Brent Boyles for Treasurer. All of the nominees accepted the request to serve in the positions for which they were nominated.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Lewis), the Board voted unanimously to approve the Board Officer appointments as listed above.

6.0 Committee Report

(a) Finance Committee

i. UPDATE on Financial Reports

Mr. Leclair provided an overview of financial reports through December 31, 2016, as detailed in his memo dated January 25, 2017. He explained that revenues for FY2017 remain on track with one notable exception: Regional Greenhouse Gas Initiative (RGGI) proceeds are well below estimate after the two auctions of the fiscal year.

ii. APPROVE Budget Adjustments

Mr. Leclair described Staff's two proposed budget adjustments, as detailed in his memos dated January 20, 2017.

First, to account for the downward shift in RGGI forecasts, Staff proposes that the Board adjust the FY2017 budget to:

1. Reduce the FY2017 RGGI Fund revenues by \$4,200,000;
2. Authorize the use of \$1,264,703, representing the remaining unallocated RGGI fund balance from prior years, for FY2017 RGGI Fund expenditures;
3. Transfer the \$300,000 Loan Loss Reserve budget obligation from RGGI to the ARRA Better Buildings Revolving Loan Fund and authorize the use of \$40,596 of ARRA Better Buildings fund balance from prior years to fund the portion of the Loan Loss Reserve budget amount not covered by FY2017 revenues.
4. Adjust the FY2017 RGGI Fund expenditure budget, proportionate to the allocations originally approved in the Third Triennial Plan.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Hodsdon), the Board voted unanimously to authorize all four budget adjustments listed above.

Second, Staff propose a budget amendment to utilize \$87,000 from the ARRA-State Energy Program Revolving Loan Fund to fund a study conducted by the GEO on Maine's biomass industry. Mr. Leclair reminded the Board that it authorized the Trust to enter into a Memorandum of Understanding with the GEO regarding this issue near the end of FY2016; at that time, GEO transferred an equal amount to the Trust from an expiring U.S. Department of Energy grant.

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Lewis), the Board voted unanimously to authorize the Trust to increase the expenditure budget by \$87,000 to fund the GEO biomass study using a combination of FY2017 revenues and prior year Fund Balance.

(b) Program Committee

i. APPROVE Authorization for Continued Membership in DesignLights Consortium (DLC)

Mr. Eglinton explained that the DLC's members include energy efficiency program administrators that provide incentives and other support to customers for energy efficient lighting projects in commercial applications. The DLC provides a credible, unbiased third-party validation program, simplifying the product vetting process for EMT. EMT's C&I Prescriptive Program uses the DLC list to help determine eligibility of lighting measures.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Hodsdon), the Board voted unanimously to authorize the Executive Director to enroll EMT as a 2017 member of the DLC for the cost of \$6,900.

ii. APPROVE 2016 Update to Avoided Energy Supply Costs (AESC) for Screening Cost-effectiveness

Mr. Stoddard explained that the AESC 2016 Update details the most recent set of assumptions surrounding avoided energy costs in New England. Pending Board approval, Staff will seek approval for using these assumptions from the Public Utilities Commission (PUC)..

ACTION: Upon a motion duly made (Mr. Hodsdon) and seconded (Mr. Stapp), the Board voted to authorize Staff to incorporate data from the AESC 2016 Update in screening cost-effectiveness of measures and to seek approval of this adjustment from the Maine PUC. Mr. Lewis opposed; all others voted in favor.

iii. DISCUSSION on Combined Heat and Power (CHP)

Mr. Stoddard said that Staff had received a number of questions from the Board regarding the methodology used to calculate the cost effectiveness of CHP projects. He stressed that determining whether a particular CHP project will save money, energy, and greenhouse gases requires an in-depth, site-specific analysis. EMT Staff only awards incentives to those projects that pass its cost-effectiveness test.

Mr. Barber acknowledged that some of the Board discussion on CHP centered around the implications of reducing demand on the grid and redistributing fixed T&D costs to other ratepayers. Mr. Stapp suggested that these questions should not be part of the Trust's energy-savings evaluation, and are perhaps more appropriately left to policy makers. Mr. Stoddard noted that the current statute requires that the Trust pursue all cost-effective energy efficiency opportunities.

Mr. Burnes and Mr. Doughty provided an overview of the Trust's application screening parameters. Mr. Lewis and Mr. Crosby questioned the assumptions calculations behind two specific project analyses. They agreed to follow up offline with Mr. Burnes and Mr. Doughty to work through those details.

iv. UPDATE from MaineHousing on Weatherization Assistance Program Plan

Mr. Drost provided MaineHousing's annual presentation on the State plan for the Weatherization Assistance Program (WAP). He noted that there will be a public hearing on the plan on February 21, 2017, and the public comment period will end March 3, 2017. He highlighted two substantive changes to the plan from previous years. First, WAP will shift to a different software system (Hancock), which enables tablets for staff out in the field performing energy audits. Second, the Department of Energy has stated that WAP's funding level after April 1, 2017

will be set at 60% that of the previous fiscal year (\$1.7 million vs. \$2.8 million). Depending on whether legislators pass a budget or a continuing resolution, WAP may or may not receive the additional 40%.

Mr. Hodsdon noted that WAP projects should involve a certified engineer, particularly in determining whether a building meets the minimum standards of structural integrity. Mr. Eglinton encouraged the Board to submit any comments to Staff, who will synthesize them and provide a letter to MaineHousing.

6.0 New Business

None.

7.0 Next Meeting Agenda and Scheduling

The next Board meeting is scheduled for February 22, 2017.

ACTION: Upon a motion duly made (Mr. Lewis) and seconded (Mr. Hodsdon), the Board voted unanimously to adjourn the meeting at 12:06 pm.